

TO: NAW Direct Members

FROM: NAW Government Relations Team

RE: NAW Critical Update Number 66 – June 11 at 2:00 PM

1. Latest on the Main Street Lending Program

Today, the Fed announced two more webinars for lenders and borrowers interested in the Main Street Program. For borrowers, this session is an opportunity to learn about changes to the program announced on June 8, 2020, and to ask questions about the program to senior officials from the Federal Reserve. Interested participants are encouraged to review the updated [program term sheets](#) and [frequently asked questions](#) that were released on June 8, 2020.

According to the announcement, *the Main Street program will be open for lender registration **soon** and will be actively buying loans shortly afterwards.*

Upcoming Sessions:

- For Lenders: Updates to the Main Street Lending Program
Friday, June 12 at 2 p.m. EDT
[Register here](#)
- For Borrowers: Updates to the Main Street Lending Program
Monday, June 15 at 2 p.m. EDT
[Register here](#)

2. Latest on Paycheck Protection Program

Late last night the SBA released another Interim Final Rule (IFR), this one on the PPP Flexibility Act signed into law last week. Fortunately, there are no surprises in this IFR, and it is a straightforward implementation of the provisions of the law that:

- Extends the covered period for loans to December 31;
- Provides a loan term of 5 years for loans made after June 5th with loans made prior to that date still having a two-year term;
- Extends the loan forgiveness period from 8 to 24 weeks; and

- Requires that 60 percent of a loan be spent on payroll to be fully forgiven with partial forgiveness for a smaller amount spent on payroll.

You can access the IFR here:

[Interim Final Rule on Revisions to First Interim Final Rule](#) (6/10/20)

Any final decisions on the PPP tax deduction issue is probably a way off, but Senator John Cornyn is looking to push the envelope. According to a *Politico* report, Senator Cornyn said he hoped to get unanimous consent in the Senate this week for the measure, S. 3612, the Small Business Expense Protection Act of 2020, to allow companies to deduct expenses paid for by PPP loans.

To pull that off, Senator Cornyn and other supporters would need to get rid of any remaining holds on the bill today, which will cap off the Senate's week in Washington. Senators are not scheduled to return to Washington until July 21st. Senator Cornyn said earlier in the week that supporters were "chipping away" at holds. But as of yesterday, his office said that allowing the legislation to go forward still didn't have unanimous support in the Senate.

Any final decision on the PPP deduction issue in the Senate would also need to get the House and the administration on board. Secretary Mnuchin has said that allowing companies to write off expenses bought with PPP loans would be double dipping — backing the IRS, which disallowed those deductions.

To read the full *Politico* report, click [HERE](#).

3. Latest on Economic Recovery and Re-Opening the Workplace

As the Coronavirus Pandemic continues to impact the United States economy and businesses across the nation, it can be hard to decipher how new regulations and laws may impact your business. To help you manage these issues NAW is providing information about reports, webinars and seminars that you may find useful:

Department of Labor Issues New FAQ's About Face Coverings in the Workplace

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) has published a series of [frequently asked questions and answers](#) regarding the use of masks in the workplace.

The new guidance outlines the differences between cloth face coverings, surgical masks and respirators. It further reminds employers not to use surgical masks or cloth face coverings when respirators are needed. In addition, the guidance notes the need for social distancing measures, even when workers are wearing cloth face coverings, and recommends following the [Centers for Disease Control and Prevention's guidance on washing face coverings](#).

AFL-CIO Seeking to Force OSHA to Issue an Emergency Temporary Standard on COVID-19

This week the D.C. Circuit Court of Appeals *rejected* an emergency lawsuit from the AFL-CIO seeking to force OSHA to issue an Emergency Temporary Standard on COVID-19. The three judge panel stated in their order that "in light of the unprecedented nature of the COVID-19 pandemic, as well as the regulatory tools that the OSHA has at its disposal to ensure that employers are maintaining hazard-free work environments ... the OSHA reasonably determined that an ETS is not necessary at this time."

As you may remember from yesterday's reporting on the Senate Finance Committee hearing on unemployment insurance, Secretary of Labor Eugene Scalia stated that issuing guidance standards of that kind is "to a large extent a function of state law" when he was questioned heavily by Senate Democrats on this issue.

You can read a more detailed article regarding the case [HERE](#).

The US Department of Labor's statement on the ruling can be found [HERE](#).

Stateside Associates publishes a daily report about State and Local Government responses to the evolving situation.

To read their latest report, click [HERE](#).

We are also providing a link to a spreadsheet that includes state and local COVID-19 response information provided by **MultiState Associates**.

To view their spreadsheet, click [HERE](#).

[Click here](#) for links to Critical Updates sent previously.

Many thanks—

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